

JOURNAL

MAR 16 1966

McCall Will Acquire Safran Printing Co. For About \$15.6 Million

Directors of Both Firms, Safran
Holders Must Approve; McCall
To Pay \$28 Per Safran Share

By a WALL STREET JOURNAL Staff Reporter

DETROIT—McCall Corp. plans to acquire Safran Printing Co., Detroit, for about \$15.6 million, the two companies said. The acquisition is subject to approval by directors of both companies and Safran's stockholders.

Under the proposal, McCall will pay \$28 for each share of Safran common stock. In recent trading (over the counter) Safran stock has been quoted at \$18.50 bid and \$19.25 asked. Safran has 556,872 shares outstanding.

About 70% of the Detroit company's business is in printing magazines, trade publications, catalogs, newspaper supplements and direct mail material. The other 30% comes from printing business forms.

Safran was one of the pioneers in 1958 in the development of newspaper color inserts. More recently the company has successfully produced SpectraColor inserts by the web offset process, which makes possible color picture quality on newsprint that is comparable to slick magazine color printing.

McCall Corp. publishes McCalls, Saturday Review and Redbook magazine and other magazines and books. It also provides printing, engraving and subscription services and manufactures McCalls dress patterns.

In a recent interview, Safran's president,

Hyman Safran, estimated that company's earnings rose in the year ended Feb. 28 to \$925,000 to \$950,000, or between \$1.65 and \$1.70 a share, from \$896,286, or \$1.56 a share, a year before. He said sales rose to between \$13,800,000 and \$13,900,000 from \$12,253,253. The executive forecast sales in fiscal 1967 of about \$15,000,000 and profit that "might reach \$2 a share."

Earnings in fiscal 1966, he said, were held down by expenses incurred in the first stage of installation and testing of the SpectraColor process. He said 14 test runs with the process were completed at four daily newspapers in Michigan and Wisconsin. "Costs of installation and testing of SpectraColor ran between 5 and 10 cents a share, but we've got the bulk of our expenses behind us in this area," Mr. Safran added.

The Detroit News, Detroit Free Press, Pontiac Press and Milwaukee Sentinel were included in the test program.

About a third of the nation's newspaper circulation is capable of handling SpectraColor, he stated. "Now we consider our market for SpectraColor to include the entire country east of the Mississippi."